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August 12, 1974
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AGRICULTURE, DEPARTMENT OF

An independent Commodity Futures Trading Commission has been authorized in the Senate version of a bill reported out of the Senate Agriculture Committee. The bill (H.R. 13113) contains many features of a House bill passed earlier this year but has been significantly strengthened by making the Commission independent of USDA. The House version, which called for the Commission to be headed by the Secretary of Agriculture and administered by USDA, was changed to exclude the Secretary and substitute a full-time completely independent five-member commission. The bill is expected to reach the Senate floor before the end of the month and win quick approval.

Finalized amendments to regulations governing the Special Milk Program have been published (see 8/7/74 Fed. Reg., p. 28415). The regulations govern the distribution of free milk to children eligible for free meals and includes a provision for State-conducted audit programs using CPAs and LPAs.

Regulations on fair and reasonable prices for the 1974 sugar-beet crop have been published (see 8/2/74 Fed. Reg., p. 27895). The regulations contain a reporting requirement specifying "an itemized statement for each settlement district, certified by an independent accountant."

FEDERAL ENERGY ADMINISTRATION

A second utility rate conference has been scheduled for September 20, 1974. This conference, originally tentatively set for the week of August 21, will be a follow-up to a hearing held 6/19/74 which produced a number of recommendations concerning utility rate making procedures and suggestions for improvement in tax treatment for the utilities.

Hearings into the financial problems of electric utilities were conducted by the Senate Interior Committee on August 7 and 8. Among the policy issues which were to be discussed was the degree to which accounting practices magnified cost-inflating factors. Questions submitted to participants prior to the hearings involved nationalization of the utilities industry, possible revisions to accounting practices and what affect an increase of the investment tax credit from 4% to 7% would have upon the utilities' ability to raise capital.

FEDERAL TRADE COMMISSION

The FTC line-of-business survey may be ended before it starts. As one of President Nixon's last official acts, the appropriations bill which would have funded the survey was vetoed.

Mr. Nixon did not mention the FTC survey in his veto message, but cited other programs as too inflationary. Although one report quoted FTC officials as saying that they intend to continue with the program despite the veto using currently available funds, others at FTC have adopted a wait and see attitude.

Myron J. Hubler, Jr., CPA, has assumed duties as the Chief of the Division of Financial Statistics. Formerly with the AICPA Auditing Standards Division, Mr. Hubler now heads the section which would collect the LB data.

GENERAL SERVICES ADMINISTRATION

Temporary regulations implementing the increased amount of small purchases which can be negotiated under simplified procurement procedures have been published (see 8/7/74 Fed. Reg., p. 28437). The regulations effective 7/25/74 were published pursuant to Pub. L. 93-356 which increased the authority to negotiate small purchases from \$2,500 to \$10,000.

HEALTH, EDUCATION AND WELFARE, DEPARTMENT OF

Finalized regulations providing grants for National Research Centers for heart, blood vessel, lung and blood diseases have been issued (see 8/2/74 Fed. Reg., p. 27902). The grants will aid states in planning, establishing, strengthening and supporting the basic operations of national research centers for research and treatment in these disease areas. Provisions for the separate accounting of these funds from all other grant funds are included. The regulations also incorporate by reference the DHEW audit provisions in Title 45 CFR Part 74.

HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF

A massive housing and community development bill has been reported out of a House-Senate Conference Committee. The \$11.3 billion bill (S. 3066) will rewrite the nation's entire program of Federal housing assistance and urban renewal. Expected to be passed by both houses as early as next week, the measure authorizes \$8.6 billion over the next three years in block grants to communities for development funds, includes restrictions that the funds will be used to combat slums and urban blight, and raises to \$45,000 the maximum mortgage the government will insure.

LABOR, DEPARTMENT OF

Interim regulations under the CETA Migrant and Seasonal Farmworkers Programs have been published (see 8/6/74 Fed. Reg., p. 28400). Although published in final form and made effective 9/5/74, comments are being solicited until 9/20/74.

The regulations provide that grantees shall submit a statement to DOL that its accounting system meets certain standards and the statement must be "certified" by a CPA or LPA.

OFFICE OF FEDERAL PROCUREMENT POLICY

A bill to create an independent OFPP has been reported out of a House-Senate conference. The compromise bill (S. 2510) will place the OFPP under the wing of the Office of Management and Budget which the conferees felt would give the new office "prestige and leverage in dealing with the executive agencies." The head of the OFPP will be known as the Administrator for Federal Procurement Policy" and appointed by the President with Senate confirmation.

SECURITIES AND EXCHANGE COMMISSION

An omnibus securities bill has been approved by the House Subcommittee on Commerce and Finance. The bill (H.R. 5050) authorizes major revisions in securities market regulation and is quite similar to a reform measure already approved by the Senate. It authorizes creation of a central market system and includes a \$300,000 appropriation for a SEC study to determine the form that self-regulation of the new system should assume. Final action on a reform bill during this session of Congress is now deemed a distinct possibility.

A bill to regulate the municipal bond industry has been reported out of the Senate Banking Committee. The bill (S. 2474) would give the SEC regulatory authority over banks and securities dealers who deal in municipal bonds. Senate floor action is expected later this month.

The SEC Report Coordinating Group (Advisory) will hold public meetings in New York on August 15 and 21, 1974. The first meeting will be for the purpose of developing recommendations regarding simplified trading forms and the latter will discuss a uniform financial and operational report. The August 15 meeting will be held at 77 Water Street, 19th Floor, at 9:30 a.m. and the meeting on August 21 at 55 Water Street, 23rd Floor, at 9:30 a.m.

SMALL BUSINESS ADMINISTRATION

A full-scale audit of the SBA by the General Accounting Office has been authorized in a bill passed by both houses. The bill (S. 3331), which authorizes long-term, low-cost loans to assist small businesses directly affected by energy or materials shortages, includes a House amendment authorizing the study. It was quickly passed by a voice vote in the Senate and has been sent to the White House for signature.

TRANSPORTATION, DEPARTMENT OF

A mass transit bill has been reported out of the House Public Works Committee. The bill (H.R. 12859) provides for the establishment of a uniform system of accounts and also prohibits DOT from authorizing grants after 7/1/78 unless the grant applicants are subject to both the prescribed reporting system and a uniform system of accounts.

TREASURY, DEPARTMENT OF

House-Senate conferees have completed work on the pension reform measure. The bill (H.R. 2) was to have been reported by 8/7/74 but due to impeachment pressures it was extended to midnight 8/9/74, and now probably will not reach the floor of the House until this week due to the change in Administrations. Quick approval of the measure is expected.

SPECIAL: HOUSE PASSES CAMPAIGN REFORM BILL

A campaign reform bill has passed the House. The bill (H.R. 16090), which passed the House by a vote of 355-48, differs from an earlier Senate approved bill primarily on the question of public financing of Congressional campaigns. Another major distinction between the bills is that the House bill is scheduled to take effect 30 days after enactment while the Senate version will not become effective until 1976. A House-Senate Conference will be urged to approve the Senate timetable as a more practical alternative due to the nearness of the Fall elections.



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